

- I. **ROLL CALL (6:00 p.m.)**
- II. **ADJOURN TO CLOSED SESSION**
 1. **CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**
(Pursuant to Government Code Section 54956.9[a])
Title: Stansell v. City of Milpitas (WCAB No. WCK 0054841 and 0054842)
 2. **CONFERENCE WITH LABOR NEGOTIATOR**
(Pursuant to Government Code Section 54957.6)
Agency Negotiator: Eddie Kreisberg and Cherie Rosenquist
Employee Organization: LIUNA
 3. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
(Pursuant to Government Code Section 54956.8)
Property: APN #022-08-042
Negotiating Parties: City of Milpitas and County of Santa Clara
Agency Negotiator: Thomas J. Wilson
Under Negotiation: Terms and Conditions for Disposition or Lease
 4. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
(Pursuant to Government Code Section 54956.8)
Property: Vacant Property N. Main Street (APN No. 2208003)
Negotiating Parties: City of Milpitas/Milpitas Redevelopment Agency and Kathleen Cardoza
Agency Negotiators: Thomas J. Wilson and Blair King
Under Negotiation: Terms and conditions for acquisition of property
 5. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR**
(Pursuant to Government Code Section 54956.8)
Property: 130-150 Winsor Street and 116-130 N. Main Street
Negotiating Parties: Milpitas Redevelopment Agency and Bruce Pallak, dba Garbe's Towing
Agency Negotiators: Thomas J. Wilson and Steven Mattas
Under Negotiation: Terms and conditions for acquisition of property interest
- III. **CLOSED SESSION ANNOUNCEMENTS: Report on action taken in Closed Session, if required pursuant to Government Code Section 54957.1, including the vote on abstention of each member present**
- IV. **PLEDGE OF ALLEGIANCE (7:00 p.m.)**
- V. **APPROVAL OF MINUTES: April 20, 2004**
- VI. **SCHEDULE OF MEETINGS**
- VII. **PRESENTATIONS**

Certificate of Reappointment:

- Diane McDonough, Economic Development Commission

Proclamations:

- Public Works Week, May 16-22, 2004
- Older Americans Month, May 2004
- Water Awareness Month, May 2004

VIII. CITIZENS FORUM

Members of the audience are invited to address the Council on any subject not on tonight's agenda. Speakers must come to the podium, state their name and city of residence for the Clerk's record, and limit their remarks to under two minutes. As an unagendized item, no response is required from City staff or the Council and no action can be taken; however, the Council may instruct the City Manager to agendize the item for a future meeting.

IX. ANNOUNCEMENTS

X. APPROVAL OF AGENDA

XI. CONSENT CALENDAR (Items with Asterisks)

XII. PUBLIC HEARINGS

1. **Approve Comment Letter for BART Extension to Milpitas, San Jose and Santa Clara DEIS/EIR (Staff Contact: Joe Oliva, 586-3290)**
2. **Appeal of Planning Commission Decision to Approve the Redevelopment of the Town Center Including 65 Multi-Family Homes, a Supermarket, Sign Program and Freestanding Signs (SZ2003-12 & 13, UP2002-42 & 43, UP2003-57 & 58, and UP2004-1) (Staff Contact: Troy Fujimoto, 586-3287)**
3. **Introduce Ordinance No. 124.26 Amending Chapter 30 (Signs), Title XI of the Milpitas Municipal Code, a Sign Ordinance Amendment to Increase the Number of Freestanding Signs in the Town Center Zoning District (Staff Contact: Troy Fujimoto, 586-3287)**
4. **Introduce Ordinance Nos. 120.42, 208.39, and 48.15, Amendments to Titles VIII and V of the Milpitas Municipal Code: 2004/05 Water, Recycled Water, and Sewer Rate Adjustments; Service Charges/Penalty; and Adjusting Construction Water Use Provisions (Staff Contact: Darryl Wong, 586-3345)**

XIII. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

RA1. CALL TO ORDER BY THE MAYOR

RA2. ROLL CALL

RA3. APPROVAL OF MINUTES: April 20, 2004

RA4. APPROVAL OF AGENDA AND CONSENT CALENDAR (ITEMS WITH ASTERISKS)

RA5. Adopt Resolution Approving Memorandum of Understanding Between the Redevelopment Agency and Shapell Industries of Northern California (Staff Contact: Felix Reliford, 586-3071)

RA6. Review Progress Report on Library Project (Staff Contact: Greg Armendariz, 586-3220)

RA7. City of Milpitas Financial Status Report for the Nine Months Ended March 31, 2004, (Staff Contact: Emma Karlen, 586-3145)

***RA8. City of Milpitas Investment Portfolio Status Report for the Quarter Ended March 31, 2004, (Staff Contact: Emma Karlen, 586-3145)**

***RA9. Adopt Resolutions Approving Initial Acceptances; Civic Center (Project No. 8026) (Staff Contact: Greg Armendariz, 586-3220)**

RA10. AGENCY ADJOURNMENT TO 6:30 P.M., MAY 11, 2004, AND SUBSEQUENTLY TO 6:30 P.M. MAY 13, 2004, (IF NECESSARY) FOR BUDGET HEARINGS IN THE COUNCIL CHAMBERS

XIV. REPORTS OF OFFICERS AND BOARDS

City Council

*** 5. Authorize Mayor to Sign Letter Supporting AB 3011 (Laird): Motor Vehicle License Fee for Street Improvements and Maintenance: Vice Mayor Dixon (Staff Contact: Cindy Maxwell, 586-3282)**

Transportation Subcommittee

*** 6. Approve Revised Transportation Position Statements: Transportation Subcommittee (Staff Contact: Cindy Maxwell, 586-3282)**

XV. UNFINISHED BUSINESS (NONE)

XVI. NEW BUSINESS

*** 7. Accept Crowne Plaza Employee's Donation to S.A.F.E. Neighborhood Preparedness Program (Staff Contact: Bill Weisgerber, 586-2811)**

XVII. ORDINANCES (NONE)

XVIII. RESOLUTIONS (NONE)

XIX. BIDS AND CONTRACTS

*** 8. Authorize the City Manager to Execute an Agreement with Hargis & Associates for Assistance with Fire Department Recruitments (Staff Contact: Bill Weisgerber, 586-2811)**

*** 9. Authorize the City Engineer to Execute a Contract Change Order: Parallel Force Main (Project No. 6078) (Staff Contact: Steve Erickson, 586-3317)**

*** 10. Approve Budget Appropriation and Award Construction Contract: Hall Park Walkway (Project No. 5058) (Staff Contact: Greg Armendariz, 586-3320)**

*** 11. Award Construction Contract: Singley Area Street Rehabilitation, Phase III (Project No. 4200); Marylinn Drive Sidewalk (Project No. 4222); and Sports Center Masterplan Improvement, Phase I (Project No. 8149) (Staff Contact: Doug De Vries, 586-3313)**

*** 12. Award Bid for Purchase of Engineering Plotter (Staff Contact: Lou Zenzen, 586-3161)**

*** 13. Authorize the Installation of a Network Fusion Link Between Fire Station One and City Hall by Professional Convergence Solutions for an amount not to exceed \$8,364.75 (Project No. 8093) (Staff Contact: Terry Medina, 586-2703)**

XX. CLAIMS AND DEMANDS

*** 14. Approve Payment Requests: Miscellaneous Vendors / Contractors (Staff Contact: Lou Zenzen, 586-3161)**

XXI. ADJOURNMENT TO 6:30 P.M., MAY 11, 2004, AND SUBSEQUENTLY TO 6:30 P.M. MAY 13, 2004, (IF NECESSARY) FOR BUDGET HEARINGS IN THE COUNCIL CHAMBERS

CITY OF MILPITAS
Agenda Reports
Milpitas City Council Meeting
May 4, 2004
6:00 p.m. Closed Session
7:00 p.m. Public Business
455 E. Calaveras Boulevard

XII. PUBLIC HEARINGS

1. APPROVE COMMENT LETTER FOR BART EXTENSION TO MILPITAS, SAN JOSE AND SANTA CLARA DEIS/EIR (STAFF CONTACT: JOE OLIVA, 586-3290)

BACKGROUND: On March 16, 2004, the Santa Clara Valley Transportation Authority (VTA) released the BART Extension to Milpitas, San Jose and Santa Clara Draft Environmental Impact Statement/Environmental Impact Report (DEIS/EIR) for public review and comment by May 14, 2004. The 16.3-mile BART extension from Fremont through Milpitas and San Jose and terminating in Santa Clara will consist of seven stations (plus the future South Calaveras Station). Revenue service could begin as early as 2014, depending on the availability of funding. The Planning Commission and Transportation Subcommittee will review the comment letter at their respective meetings on April 28th and 29th. Staff will provide a verbal report of their discussion and actions at the Council meeting.

In addition to the full-build BART alternative, the DEIS/EIR analyzed two other alternatives. The "No Action" alternative assumed only planned and programmed transit and highway projects under year 2025 conditions. The "Baseline" alternative added additional express bus routes to serve the transit corridor as well as other necessary supporting transit improvements.

Staff has identified five major issues in the comment letter in addition to numerous detailed issues. The five major issues identified by staff are:

1. Land Use/ Montague Station Design

The Montague station design should maximize Transit Oriented Development (TOD) opportunities to most effectively use the public's capital investment in the BART extension and to implement the City's Midtown Plan. Specific design issues and areas of concern are: (a) minimizing property acquisition, (b) providing compact station footprints, (c) encouraging pedestrian and bicycle travel, (d) providing an urban transit experience with a plaza and transit-related retail, (e) providing aerial walkways to adjacent land uses to the southwest beyond the LRT and to the Great Mall, (f) optimizing the connection to the Great Mall with a walkway under Montague and a no-fee entry north of Montague if an aerial walkway is not constructed and (g) providing a bus transit center under the parking structure adjacent to Montague Expressway.

2. Dixon Landing Road Options

Milpitas does not support the aerial option for the Dixon Landing Road alignment. The aerial option results in significant environmental impacts, including noise, vibration, and aesthetics, to residents and businesses in the area that cannot be mitigated. Additionally, the noise impacts of the aerial option would invalidate millions of dollars already invested by the City for soundwalls. Further analysis is needed to thoroughly evaluate the two non-aerial options. Given the information provided at this time, the City prefers the at-grade option with a design speed of 35 miles per hour if access to surrounding properties can be adequately addressed.

3. Railroad Issues

Milpitas recommends that the Union Pacific spur line, located north of Montague Expressway, be abandoned rather than relocated as proposed in the DEIS/EIR. Abandonment of the spur line would significantly reduce project costs, avoid disruption to the public park and private properties, and support future development of surrounding properties.

Milpitas supports relocating the railroad turnaround ("wye") outside Milpitas. The proposed relocation north of Montague Expressway would negatively impact potential existing and future transit oriented development in the area.

4. Minimum Operating Segment (MOS)

Significant parking impacts could occur at the Montague/Capitol station should the MOS still be in place past 2015. The DEIS/EIR states there will not be any parking impacts to the Capitol/Montague station in year 2015, because the station will be built to 2025 demand. A detailed year 2025 parking analysis under MOS conditions should be prepared analyzing "worst case" to verify that there will be adequate parking should the Berryessa Station be delayed beyond 2015.

5. Visual Quality and Aesthetics

The aerial option at Dixon Landing Road, will have significant and unmitigatable impacts on the aesthetics of the area and on views of Mission Peak and the Diablo Hills. Further analysis of these impacts needs to be provided.

RECOMMENDATION:

1. Close the Public Hearing.
2. Discuss the draft comment letter on the BART Extension to Milpitas, San Jose and Santa Clara DEIS/EIR, and the recommendations of the Planning Commission and Transportation Subcommittee.
3. Approve the attached draft comment letter on the DEIS/EIR.

2. APPEAL OF PLANNING COMMISSION DECISION TO APPROVE THE REDEVELOPMENT OF THE TOWN CENTER INCLUDING 65 MULTI-FAMILY HOMES, A SUPERMARKET, SIGN PROGRAM AND FREESTANDING SIGNS (SZ2003-12 & 13, UP2002-42 & 43, UP2003-57 & 58, AND UP2004-1) (STAFF CONTACT: TROY FUJIMOTO, 586-3287)

BACKGROUND: The Planning Commission held a public hearing on March 24, 2004, to consider the proposed redevelopment of the Town Center. After reviewing public testimony, the Planning Commission certified the Negative Declaration (EA No. P-EIA2002-12) and approved the project by a 4 to 3 vote.

The basis for the majority vote support was a conclusion that the public improvements package and the significant changes planned to update the center and revive its customer base outweighed the loss of certain businesses and the lower projected density. Subsequently, the approval has been appealed to the City Council for the following reasons:

1. Constructing an additional supermarket and the adverse effect on existing businesses.
2. Demolishing the cinema.
3. Increasing housing in this location.
4. Lack of conformance of a supermarket with the General Plan.

An evaluation of these points is provided in the background report included in the City Council's packet. Based on the evaluation, staff recommends upholding the Planning Commission approval of the redevelopment of the Town Center, supported by the findings and special conditions contained in the Council's packet.

RECOMMENDATION:

1. Close the Public Hearing.
2. Uphold the Planning Commission's approval of S-Zone (SZ2003-12 & 13) and Use Permits No. UP2002-42 & 43, UP2003-57 & 58, and UP2004-1.

3. INTRODUCE ORDINANCE NO. 124.26 AMENDING CHAPTER 30 (SIGNS), TITLE XI OF THE MILPITAS MUNICIPAL CODE, A SIGN ORDINANCE AMENDMENT TO INCREASE THE NUMBER OF FREESTANDING SIGNS IN THE TOWN CENTER ZONING DISTRICT (STAFF CONTACT: TROY FUJIMOTO, 586-3287)

BACKGROUND: This item was continued from the April 4, 2004, City Council meeting to allow this item to coincide with the appeal of the Redevelopment of the Town Center.

In 1989, the City Council adopted a policy establishing five (5) sub-areas within the Town Center zoning district. The purpose of the policy was to allow each sub-area the ability to have one freestanding sign. Prior to the adoption of the policy, the entire Town Center District was limited to one freestanding area identification sign.

The five Town Center sub-areas are:

1. Beresford Square shopping center
2. Shapell office building parcel
3. Town Center Phase III parcel (now developed with townhomes as "Beresford Village")
4. Town Center shopping complex
5. Hotel and office area (Town Center District east of Hillview Drive)

The applicant is requesting the Sign Ordinance be amended to recognize the commercial sub-areas, as they currently exist. The request also includes a proposal to allow up to three freestanding signs for the Town Center shopping center. This would be accomplished by allocating the sign allowance for Phase III that was never used to the Town Center shopping center and allowing a new third sign. This would net one additional sign in the District above what was previously allowed.

Because this amendment is allowing one additional sign for the district, the sign is categorically exempt from CEQA review pursuant to Section 15311, Class 11 (accessory structures).

Staff recommends approval of the ordinance amendment based on the City granting a freestanding sign for Phase III that was never used and if this project was located anywhere else in the City, based on the number of street frontages and the amount of street frontage, the development would be allowed to have three (3) freestanding signs.

RECOMMENDATION

1. Close the Public Hearing.
2. Waive reading beyond the title and introduce Ordinance No. 124.26.

4. **INTRODUCE ORDINANCE NOS. 120.42, 208.39, AND 48.15, AMENDMENTS TO TITLES VIII AND V OF THE MILPITAS MUNICIPAL CODE: 2004/05 WATER, RECYCLED WATER, AND SEWER RATE ADJUSTMENTS; SERVICE CHARGES/PENALTY; AND ADJUSTING CONSTRUCTION WATER USE PROVISIONS (STAFF CONTACT: DARRYL WONG, 586-3345)**

BACKGROUND: Water, recycled water and sewer rate adjustments and service charge recommendations have been prepared by staff. The recommended 2004/05 Utility Rates are consistent with the Financial Utility Master Plan approved by Council on April 15, 2003. The recommendations have been reviewed by the Utility Rate Sub-Committee.

Proposed changes are as follows:

Water Rates: For a typical single family resident, water cost will increase by \$3.14 per month, or from \$52.12 to \$58.40 in the bimonthly bill. Similar increases will occur for other water and recycled water user categories as shown in the table below.

Proposed 2004/05 Water Rates
(For meters read on or after July 26, 2004)

Water and Recycled Water Quantity Charges	Current per hundred cubic feet (hcf)	Proposed 2004/2005 per hundred cubic feet (hcf)
Residential 0-20 hcf	\$1.15	\$1.29
> 20 hcf	\$2.42	\$2.71
Commercial, Industrial, and Institutional	\$2.64	\$2.95
Recycled Industrial Process	\$1.32	\$1.48
Recycled Dual-Plumb	\$1.32	\$1.48
Potable City	\$1.06	\$1.15
Potable irrigation all others	\$3.01	\$3.37
Recycled irrig. formerly wells	\$0.58	\$0.63
Recycled agric	\$0.22	\$0.27
Recycled irrig city	\$0.55	\$0.55
Recycled irrig all others	\$2.41	\$2.70
Santa Clara County (Ed Levin Park)	\$1.07	\$1.16
Bimonthly Fixed charges; typical increase for all other sizes (not shown)		
Residential 5/8 inch meter	\$14.60	\$16.34
Non-residential 3/4 inch meter	\$16.38	\$18.33
Residential Fire Service 2"	\$23.35	\$26.13
Non-Residential Fire Service 2"	\$24.69	\$27.63

Sewer Rates: For a typical single family resident, sewer use cost will increase by \$2.08 per month, or from \$46.10 to \$50.25 in the bimonthly bill. Per Federal Environmental Protection Agency requirements, other user categories are adjusted based upon sewage discharge strength, as shown in the table below.

Proposed 2004/05 Sewer Rates
(For meters read on or after July 26, 2004)

Sewer Quantity Charges	Current per hundred cubic feet (hef)	Proposed 2004/2005 per hundred cubic feet (hef)
Single Family bimonthly per dwelling unit	\$46.10	\$50.25
Multi-Family bimonthly per dwelling unit	\$33.82	\$36.48
Mobile Home bimonthly per dwelling unit	\$21.27	\$22.76
Commercial categories per hcf	\$1.54-\$3.46	\$1.80-\$3.44
Industrial categories per hcf	\$0.01-\$5.12	\$0.01-\$4.89
Institutional categories per hcf	\$1.70-\$1.84	\$1.93-\$2.30
Fixed charges		
Non-Residential bimonthly	\$7.78	\$8.48

Service Charges: Staff is recommending utility service charges and penalties for late payments on water, recycled water, sewer, and solid waste charges as shown below:

Service Charges/Penalties Proposed	Amount
Late Payment Charge	5% of the unpaid balance after due date, additional 5% applied after a reminder date is passed
24-Hour Water Shut Off Notice Charge	\$10.00
Water Reconnection Charge	\$50.00 during business hours and \$75.00 after business hours
Tampering With City Property Charge	\$150.00 per occurrence
Illicit Fire Service Use Charge	\$14.75 per hcf for consumption greater than 1 hcf bimonthly

Changes to the City construction water use procedure is also proposed to streamline and clarify the program, and allow better tracking of temporary meters loaned by the City.

RECOMMENDATION:

1. Close the public hearing for water, recycled water, and sewer rates adjustment, service charges, and construction water program adjustments.
2. Waive reading beyond the titles.
3. Introduce Ordinance No. 120.42 setting Water Service, Service Charges/Penalties, and adjusting Construction Water Use Provisions; Ordinance No. 208.39 setting Sewer Service and Service Charges/Penalties; and Ordinance No. 48.15 setting Solid Waste Cost Service Charges/Penalties.

XIII. JOINT REDEVELOPMENT AGENCY AND CITY COUNCIL MEETING

RA1. CALL TO ORDER BY THE MAYOR

RA2. ROLL CALL

RA3. APPROVAL OF MINUTES: April 20, 2004

RA4. APPROVAL OF AGENDA AND CONSENT CALENDAR (ITEMS WITH ASTERISKS)

RA5. ADOPT RESOLUTION APPROVING MEMORANDUM OF UNDERSTANDING BETWEEN THE REDEVELOPMENT AGENCY AND SHAPELL INDUSTRIES OF NORTHERN CALIFORNIA (STAFF CONTACT: FELIX RELIFORD, 586-3071)

BACKGROUND: On February 3, 2004, the Redevelopment Agency authorized staff to enter into negotiations with Shapell Industries of Northern California for the development of a 65-unit townhome development and redevelopment of the Town Center to include a 54,000 square foot Safeway Supermarket. Redevelopment Agency assistance was authorized specifically for the development of 20 deed-restricted affordable housing units.

It is recommended that the Agency adopt a resolution approving a Memorandum of Understanding (MOU) providing a loan assistance to facilitate the construction of 20 deed-restricted affordable housing units consisting of: 16 moderate-income units and 4 very low-income units. The financial assistance for the 4 very low-income units will consist of the rehabilitation of rental units off-site with deed restrictions. In return for the Agency's financial assistance with the 4 off-site units, the developer will fund and/or construct on and off-site improvements benefiting the public valued at \$392,000.

The total value of the proposed Agency assistance in loans and grant is \$1million. Funds are pledged in the form of silent second loans (\$50,000/unit for a total of \$800,000). Staff estimates a cost not to exceed \$200,000 for the rehabilitation of the 4 off-site units (\$50,000/unit). The possibility exists that the Agency will be able to rehabilitate more than 4 units, depending on the cost and the extent of the improvements. Sufficient low and moderate housing funds are available.

The MOU will subsequently be incorporated into an Owner Participation Agreement (OPA) that will be presented to the Agency for approval, which is tentatively scheduled for June 2004. The MOU does not prevent the City from exercising its independent judgment required to evaluate the proposed project. It is estimated that the proposed project upon full build out and sale will produce approximately \$71,507 annually in tax increment.

Included in the Council's agenda packet are the Shapell Industries of Northern California Project Information Summary, and a signed MOU indicating the developer's acceptance.

RECOMMENDATION: Adopt the resolution of the Redevelopment Agency approving a Memorandum of Understanding by and between the Redevelopment Agency of the City of Milpitas and Shapell Industries of Northern California.

RA6. REVIEW PROGRESS REPORT ON LIBRARY PROJECT (STAFF CONTACT: GREG ARMENDARIZ, 586-3220)

BACKGROUND: A progress report on the architect selection process and upcoming project milestones will be presented by staff at the Council meeting.

RECOMMENDATION: Note, receipt, and file Library Project progress report.

RA7. CITY OF MILPITAS FINANCIAL STATUS REPORT FOR THE NINE MONTHS ENDED MARCH 31, 2004 (STAFF CONTACT: EMMA KARLEN, 586-3145)

BACKGROUND: The Finance Department will present a review of the City's financial status for the nine months ended March 31, 2004.

RECOMMENDATION: Receive staff report.

***RA8. CITY OF MILPITAS INVESTMENT PORTFOLIO STATUS REPORT FOR THE QUARTER ENDED MARCH 31, 2004 (STAFF CONTACT: EMMA KARLEN, 586-3145)**

BACKGROUND: In compliance with the State of California Government Code and the City's Investment policy, the City of Milpitas Investment Report for the quarter ended March 31, 2004, is submitted for your review and acceptance.

The Portfolio Summary Report included in the Council's packet provides a summary of the City's investments by type. It lists the par value, market value, book value, percentage of portfolio, term, days to maturity and the equivalent yields for each type of investment. The Portfolio Details Report provides the same information for each individual investment in the City's portfolio as of March 31, 2004.

As of March 31, 2004, the principal cost and market value of the City's investment portfolio was \$285,374,453.43 and \$287,734,503.16 respectively. When market interest rates increase after an investment is purchased, the market value of that investment decreases. Conversely, when market interest rates decline after an investment is purchased, the market value of that investment increases. If the investments are not sold prior to the maturity date, there is no market risk. Therefore, in accordance with the City's investment policy, all investments are held until maturity to ensure the return of all invested principal.

The City's effective rate of return for the period ended March 31, 2004, was 2.78%. The comparative benchmarks for the same period were 1.22% for LAIF (Local Agency Investment Fund) and 1.56% for the average 2 year Treasury Note. Excluding the long-term GNMA securities and Repurchase Investment Agreement, the weighted average maturity of the portfolio was 669 days.

The investment portfolio is in compliance with the City's investment policy. A combination of securities maturing, new revenues, and tax receipts will adequately cover the anticipated cash flow needs for the next six months. Cash flow requirements are continually monitored and are considered paramount in the selection of maturity dates of securities.

RECOMMENDATION: Note, receipt, and file the investment report for the quarter ended March 31, 2004.

***RA9. ADOPT RESOLUTIONS APPROVING INITIAL ACCEPTANCES; CIVIC CENTER (PROJECT NO. 8026) (STAFF CONTACT: GREG ARMENDARIZ, 586-3220)**

BACKGROUND: The City Hall project has been completed and only three contracts involved with completing the third and fourth floors, remain open. The furniture contract will continue active until additional furniture is ordered and delivered for the City Hall lobby. The work performed by the two other contractors: ACCO and Royal Glass, has been successfully completed, including all punchlist work. This work has been inspected and approved by staff. Staff recommends initial acceptances for both of these contracts as follows:

1. ACCO - Staff recommends Initial Acceptance of the contract, and release of all the retention monies due to ACCO with the exception of \$32,000 of retention, for the 4th floor renovation, as allowed by the Public Contract code. This final retention will not be released until 35 days after the initial acceptance notice has been recorded at the County.
2. Royal Glass – Staff recommends Initial Acceptance of the contract, and release of all the retention monies, with the exception of \$30,000.00 retention, as allowed by the Public Contract code. This retention will be released 35 days after the initial acceptance notice has been recorded at the County.

RECOMMENDATION:

1. Approve initial acceptance of ACCO's contract and authorize the RDA Project Manager to file a Notice of Completion, and release \$86,594.15 from the retention account, remaining retention to be release in accordance with the Public Contract code;
2. Approve initial acceptance of Royal Glass contract and authorize the RDA project manager to file a Notice of Completion, and release retention in accordance with the Public Contract code.

RA10. AGENCY ADJOURNMENT TO 6:30 P.M., MAY 11, 2004, AND SUBSEQUENTLY TO 6:30 P.M. MAY 13, 2004, (IF NECESSARY) FOR BUDGET HEARINGS IN THE COUNCIL CHAMBERS

XIV. REPORTS OF OFFICERS AND BOARDS

City Council

- * **5. AUTHORIZE MAYOR TO SIGN LETTER SUPPORTING AB 3011 (LAIRD): MOTOR VEHICLE LICENSE FEE FOR STREET IMPROVEMENTS AND MAINTENANCE: VICE MAYOR DIXON (STAFF CONTACT: CINDY MAXWELL, 586-3282)**

BACKGROUND: AB 3011 (Laird) would authorize the Santa Clara Valley Transportation Authority (VTA) to collect a fee of up to \$4 on all motor vehicles registered in Santa Clara County to fund a program of traffic congestion management activities and roadway improvements. A copy of the proposed letter and a fact sheet about the bill are included as attachments to the agenda packet.

RECOMMENDATION: Authorize the Mayor to sign a letter of support for AB 3011 (Laird).

Transportation Subcommittee

- * **6. APPROVE REVISED TRANSPORTATION POSITION STATEMENTS: TRANSPORTATION SUBCOMMITTEE (STAFF CONTACT: CINDY MAXWELL, 586-3282)**

BACKGROUND: The City Council previously approved a set of transportation statements that clarify the City's position on specific transportation issues and projects in a consistent and clear fashion. The Statements were updated and recently reviewed by the Transportation Subcommittee. The Subcommittee recommends approval of the revisions. The major changes:

- Added a statement to consider alternative transportation technologies when appropriate;
- Updated the Cross Connector project to include the preparation of a transit area plan around the Montague transit stations;
- Deleted discussions of the now completed Countywide Expressway Study and Best Practices Manual;
- Updated the I-680 High Occupancy Vehicle Lane project to reflect efforts to acquire funding for a soundwall in Sunnyhills and coordination of soundwall construction;
- Confirmed the City's commitment to provide 20% matching funds for the bike/pedestrian overcrossing at the Union Pacific railroad tracks; and,
- Added the City's approved priorities for the Valley Transportation Plan 2030 process.

RECOMMENDATION: Approve the proposed revisions to the Transportation Position Statements.

XV. UNFINISHED BUSINESS (NONE)

XVI. NEW BUSINESS

- * **7. ACCEPT CROWNE PLAZA EMPLOYEE'S DONATION TO S.A.F.E. NEIGHBORHOOD PREPAREDNESS PROGRAM (STAFF CONTACT: BILL WEISGERBER, 586-2811)**

BACKGROUND: Crowne Plaza employees have collected personal donations in the amount of \$260 be given to the Milpitas Fire Department as part of their corporate and community service. These donations are designated for the Strategic Actions For Emergencies (S.A.F.E.) Neighborhood Preparedness Program. The department is in receipt of the check, with funds to be utilized for Public Fire and Disaster Preparedness Education and instructional materials, benefiting the community at large.

RECOMMENDATION: Authorize Fire Department acceptance of Crowne Plaza employee's "S.A.F.E." Neighborhood Preparedness Program donation, in the amount of \$260 be utilized for Public Fire and Disaster Preparedness Education instructional materials.

XVII. ORDINANCES (NONE)

XVIII. RESOLUTIONS (NONE)

XIX. BIDS AND CONTRACTS

- * **8. AUTHORIZE THE CITY MANAGER TO EXECUTE AN AGREEMENT WITH HARGIS & ASSOCIATES FOR ASSISTANCE WITH FIRE DEPARTMENT RECRUITMENTS (STAFF CONTACT: BILL WEISGERBER, 586-2811)**

BACKGROUND: Staff is requesting authorization to enter into an agreement with Hargis & Associates to assist City staff in developing job analysis, examinations and assessment centers for two upcoming recruitments (Fire Captain and Fire Engineer). Hargis & Associates has a proven record with Fire Department recruitments at all levels. Their primary focus during an assessment is at the test development stage where extra time is devoted checking details of test content and rating guidelines to deter any test challenges. If a challenge occurs, they will research it and produce a written response of their findings. With Hargis & Associates knowledge and methods, the City can offer a fair and meaningful recruitment. Staff feels that Hargis & Associates has proposed a fair fee of \$25,600 for the services they will be providing for the two recruitments. Funds are available in the Fire Department operating budget for these services.

RECOMMENDATION: Authorize the City Manager to execute an agreement with Hargis & Associates for assistance with Fire Department recruitments in an amount not to exceed \$25,600, subject to approval as to form by the City Attorney.

- * **9. AUTHORIZE THE CITY ENGINEER TO EXECUTE A CONTRACT CHANGE ORDER: PARALLEL FORCE MAIN (PROJECT NO. 6078) (STAFF CONTACT: STEVE ERICKSON, 586-3317)**

BACKGROUND: This substantially completed project provided a two-mile long, 36-inch diameter sanitary sewer force main from the Milpitas pumping station to the San Jose treatment plant. The project is in warranty, however there were problems with releasing trapped air within the new pipeline during operation. The project designer has recommended that additional air relief valves be installed and that modifications to the access hatch at the treatment plant be made to resolve this problem. The designer has also agreed to reimburse the City for the cost of these additional improvements. Therefore, this work would be at no additional cost to the City.

Staff recommends that additional work to add air relief valves and that modifications to the access hatch at the treatment plant be included in the project. Staff has negotiated a fee not to exceed \$17,795.00 with the Contractor for this additional work, and the approval of a contract change order is requested.

RECOMMENDATION: Authorize the City Engineer to execute a contract change order for Ranger Pipelines in the amount not to exceed \$17,795, subject to approval as to form by the City Attorney.

*** 10. APPROVE BUDGET APPROPRIATION AND AWARD CONSTRUCTION CONTRACT: HALL PARK WALKWAY (PROJECT NO. 5058) (STAFF CONTACT: GREG ARMENDARIZ, 586-3320)**

BACKGROUND: On March 16, 2004, the City Council approved the project plans and specifications and authorized the advertisement of the project for bids. This project provides a new concrete walkway including planting, irrigation and lighting across the Penitencia Creek and Hall Park Lagoon. Three sealed proposals were opened on Wednesday, April 14, 2004, ranging from \$288,170 to \$354,620. The lowest responsible bidder was JW Riley & Son, Inc. The Engineer's estimate for the work was \$262,800. The contractor's bid exceeds the Engineer's estimate by \$25,370. An evaluation of the bid shows that the planting work, electrical work, barrier fence work were underestimated and handrail work was overestimated. However, the contractor's bid was reasonable. Due to the walkway proximity to Curtner School, the work needs to be completed during summer vacation. The higher prices may also be reflected in the tight schedule. A budget appropriation in the amount of \$235,000 from the Park Fund is required to award the project.

RECOMMENDATION:

1. Appropriate \$235,000 from Park Fund.
2. Award the contract to JW Riley & Son, Inc. in the amount not to exceed \$288,170.00, subject to approval as to form by the City Attorney.

*** 11. AWARD CONSTRUCTION CONTRACT: SINGLEY AREA STREET REHABILITATION, PHASE III, PROJECT NO. 4200; MARYLINN DRIVE SIDEWALK (PROJECT NO. 4222); AND SPORTS CENTER MASTERPLAN IMPROVEMENT, PHASE I (PROJECT NO. 8149) (STAFF CONTACT: DOUG DE VRIES, 586-3313)**

BACKGROUND: On April 16, 2002, the City Council approved the project plans and specifications and authorized the advertisement of the project for bids. The project will provide improvements at various locations in the Singley Drive neighborhood. Specifically, the project involves reconstruction of sections of pavement, sidewalks, and curb and gutter in areas along Donahe Drive, Hamilton Avenue, Dundee Avenue, Parvin/Via Baja, and Sark, Perth, De Anza, Alisal, Del Vaile, and Fulton Courts

Other improvements include the reconstruction of the alley way between Milpitas Sports Center and North Park Victoria Drive to provide a second exit for vehicles from the Sports Center during major events. Also included is the construction of a missing section of sidewalk providing a continuous sidewalk along Marylinn Drive west of Railroad Avenue. A State Transportation Development Act grant was obtained for the sidewalk work.

The project was advertised and sealed proposals were opened on Tuesday, April 20, 2004. The proposals including the add alternate ranged from \$1,085,379.75 to \$1,477,726.00. The Engineer's estimate for the work was \$1,583,508.00. The low bidder was Fanfa, Inc. There are sufficient funds in the respective projects budgets for all of these expenses.

RECOMMENDATION: Award the contract including the add alternate to Fanfa, Inc. in the amount not to exceed \$1,085,379.75, subject to approval as to form by the City Attorney.

* 12. **AWARD BID FOR PURCHASE OF ENGINEERING PLOTTER (STAFF CONTACT: LOU ZENZEN, 586-3161)**

BACKGROUND: Staff requested bids from six dealers on Purchasing's bidders list for a replacement 42" engineering plotter/printer equipment used to print large engineering drawings from CAD systems. The existing plotter/printer has been problematic for the past two years and has been deemed inoperable by factory service technicians. The following is the recap of bids received by the bidders which includes freight and tax:

California Survey & Drafting Supply	\$10,054.19
ADS Reprographics, Inc.	\$11,049.59
Surah, Inc.	\$11,079.39
PCMall Government, Inc.	\$11,210.37
San Jose Blue	\$11,366.25
Peninsula Digital Imaging	\$13,861.41

There are sufficient funds available in three projects, Miscellaneous Minor Sewer Projects (Project No. 6057), Miscellaneous Minor Water Projects (Project No. 7066) and Desktop Technology (Project No. 8109) for this purchase.

RECOMMENDATION: Award the bid for the plotter/printer to California Survey & Drafting Supply as the lowest bidder in the amount of \$10,054.19 and authorize the purchase.

* 13. **AUTHORIZE THE INSTALLATION OF A NETWORK FUSION LINK BETWEEN FIRE STATION ONE AND CITY HALL BY PROFESSIONAL CONVERGENCE SOLUTIONS FOR AN AMOUNT NOT TO EXCEED \$8,364.75 (PROJECT NO. 8093) (STAFF CONTACT: TERRY MEDINA, 586-2703)**

BACKGROUND: In fiscal year 1999/00, the City of Milpitas implemented a telephone system that supported the communications needs of the City through three Private Business Exchanges (PBX's). The system utilizes a combination of fiber optic cable and copper wire to provide connections between the City's facilities. Since the original installation efforts have continued to provide complete redundancy within the system for those instances where there is an equipment failure or a break in the fiber optic or copper cable that connects the various facilities.

Currently, there are three levels of hardware redundancy for the telephone system including back up computers for each of the three PBX's, spare communications cards and Uninterrupted Power Supplies (UPS) at each location. In addition, the City Council recently approved the establishment of a redundant connection between Fire Station One and SBC in case of a line break between the City Hall PBX and the Public Works PBX. This addition now allows each of the three PBX's to work independently and provides communication with SBC in the event of a breakdown of one of the PBX's or communication lines, but does not allow redundant Communication between the City's facilities. The final step in the communications redundancy process is to establish a network fusion link between Fire Station One and City Hall. This link will allow the three PBX's to operate completely independently while at the same time providing communications between all of the City's facilities and external agencies.

Professional Convergence Solutions (PCS) has provided the City with services related to the implementation of system redundancies in the past. In fact, PCS provided the programming necessary for establishing the direct link from Fire Station One to SBC. Additionally, PCS provides the annual maintenance support to the City for maintaining the City's PBX's. Funding for the installation of the Network Fusion Link between Fire Station One and City Hall is available in CIP 8093 Telecommunications Infrastructure.

RECOMMENDATION: Authorize the installation of a Network Fusion Link between Fire Station One and City Hall, by Professional Convergence Solutions, in an amount not to exceed \$8,364.75 from funding that is available in CIP 8093 Telecommunications Infrastructure.

XX. CLAIMS AND DEMANDS

*** 14. APPROVE PAYMENT REQUESTS: MISCELLANEOUS VENDORS / CONTRACTORS
(STAFF CONTACT: LOU ZENZEN, 586-3161)**

BACKGROUND: In accordance with direction given by City Council at its August 15, 1995, meeting, Purchasing has prepared the following list of purchasing requests over \$5,000.00 for approval:

\$5,815.60 to Absolute Energy Solution, Inc. to purchase a 15KW standby generator to replace the existing standby generator on Monument Peak. The generator will serve as back up power supply for radio communications equipment for the Police Department. Absolute Energy Solution submitted the lowest bid. (Funds have been allocated and are available from State Asset Seizure Funds for this purchase.)

RECOMMENDATION: Approve the purchase request.

XXI. ADJOURNMENT TO 6:30 P.M., MAY 11, 2004, AND SUBSEQUENTLY TO 6:30 P.M. MAY 13, 2004, (IF NECESSARY) FOR BUDGET HEARINGS IN THE COUNCIL CHAMBERS

**NEXT REGULARLY SCHEDULED COUNCIL MEETING
TUESDAY, MAY 18, 2004, AT 7:00 P.M.**